



CYNTHIA D. BANKS
Director

COMMUNITY AND SENIOR SERVICES
OF LOS ANGELES COUNTY

3175 WEST SIXTH STREET • LOS ANGELES, CA 90020-1708 • (213) 738-2600 (213) 487-0379 FAX

"To Enrich Lives Through Effective And Caring Service"

BOARD OF SUPERVISORS

GLORIA MOLINA
MARK RIDLEY-THOMAS
ZEV YAROSLAVSKY
DON ENABE
MICHAEL D. ANTONOVICH

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#12 SEPTEMBER 7, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZATION TO ACCEPT OLDER AMERICANS ACT AND OLDER CALIFORNIANS ACT
HEALTH INSURANCE COUNSELING AND ADVOCACY PROGRAM (HICAP) GRANT AWARDS
AND APPROVAL TO EXECUTE A SOLE SOURCE CONTRACT WITH CENTER FOR HEALTH
CARE RIGHTS FOR THE PROVISION OF HEALTH INSURANCE COUNSELING AND
ADVOCACY PROGRAM SERVICES**

SUBJECT

Community and Senior Services (CSS) seeks delegated authority to: 1) accept Older Americans Act (OAA) and Older Californians Act (OCA) Health Insurance Counseling and Advocacy Program grant awards and contract amendments from the California Department of Aging (CDA) for July 1, 2011 through June 30, 2014; 2) execute annual contracts and contract amendments with the CDA required for acceptance of the grant funds; 3) execute a sole source contract effective October 1, 2010 through June 30, 2014 and allocate funds for the contract with Center for Health Care Rights for the provision of services under the Health Insurance Counseling and Advocacy Program; 4) execute contract amendments within the contract term to increase or decrease the contract amount; and 5) execute a Cost of Living Adjustment (COLA) to the contracted agency.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Delegate authority to the Director of CSS, or designee, to accept HICAP grant awards and any amendments thereto from the CDA for each year of the contract period beginning October 1, 2010 through June 30, 2014, under the following CDA contract numbers: 1) HI-1112-19 (for FY 2011-12); 2) HI-1213-19 (for FY 2012-13); and, 3) HI-1314-19 (for FY 2013-14); and, execute annual contracts and all future contract amendments with the CDA required for acceptance of these funds, provided that: 1) the referenced CDA contract numbers do not change during the four-year contract period, and 2) the Director of CSS, or designee, notifies your Board and the Chief Executive Officer (CEO) in writing within ten work days of accepting the funding.

2. Delegate authority to the Director of CSS, or designee, to negotiate and execute a contract with Center for Health Care Rights, effective October 1, 2010 through June 30, 2014 for the provision of the HICAP Services after County Counsel (hereinafter Counsel) approval as to form.

3. Delegate authority to the Director of CSS, or designee, to execute contract amendments with Center for Health Care Rights, as needed throughout the contract term effective October 1, 2010 through June 30, 2014, to increase or decrease the maximum contract amount in response to any of the following: 1) change in funding received from the CDA; 2) contractor performance as determined by CSS, which warrants an amendment; or 3) changes which affect the total available funds. Executing these amendments will be contingent upon the Director of CSS, or designee, ensuring that: (a) the total allocations do not exceed available funding; (b) approval of Counsel as to form is obtained prior to any such amendment; and (c) the Director of CSS, or designee, confirms in writing to the Board of Supervisors and the CEO within 30 days after such amendments have been executed. This action would assure full expenditure of funds and is consistent with the Board's policy requiring review of contractor performance.

4. Delegate authority to the Director of CSS, or designee, to execute and approve COLA increases or decreases to contracted agency at the Director's discretion, consistent with the County's established policy and County contract language.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended actions will enable CSS to continue administration of the HICAP and execute a contract with the Center for Health Care Rights for the contract term beginning October 1, 2010 through June 30, 2014. The HICAP provides health insurance counseling and advocacy services to Medicare Beneficiaries, their representative or persons aged 60 and older who are close to obtaining Medicare eligibility in Los Angeles County, excluding the City of Los Angeles. The program uses staff, volunteers and a network of local programs to offer personalized counseling, community education and outreach events that directly help Medicare Beneficiaries, their representative, or persons aged 60 and older who are close to obtaining Medicare eligibility, to understand how to use their Medicare benefits including Prescription Drug Plan coverage, Medicare Advantage plans, Medicare supplemental policies, Medicare Savings Programs, and long-term care insurance.

Implementation of Strategic Plan Goals

The recommended actions support the following Countywide Strategic Plan Goals: Goal #1 Operational Effectiveness, Goal #2 Children, Family and Adult Well-Being, and Goal #4 Health and Mental Health.

FISCAL IMPACT/FINANCING

The recommendations have no impact on Net County Cost. The HICAP is fully financed with HICAP grant funds received annually from the CDA. These funds are included in the Department's FY 2010 -11 Proposed Budget.

On June 9, 2010, your Board authorized the director of CSS, or her designee, to accept the FY 2010 -11 HICAP grant award in the amount of \$931,620, and approved a contract extension and

amendment for three months in order for CSS to complete a solicitation as required by the CDA every four years. The contract was extended and amended in the amount of \$216,485 for the three month period of July 1, 2010 through September 30, 2010. The CDA designated CSS administrative costs in the amount of \$65,681 for FY 2010-11.

The total available funds for the HICAP contract are \$649,454, which will be fully allocated to the contracted agency to provide HICAP Services.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The current HICAP contract with Center for Health Care Rights was negotiated as a result of a solicitation using the Request for Proposals (RFP) process in FY 2002-03 for a four-year funding period effective July 2003 through June 2007. This contract was subsequently amended with the approval of the CDA. Amending the contract resulted in extending the period of performance in exchange for allocating an additional award of grant funds. This amended contract will expire on September 30, 2010.

CSS received CDA approval to determine the existence of qualified vendors for HICAP Services through the release of a Request for Information (RFI). CSS released the RFI in May 2010 to obtain statements of interest from qualified vendors to provide these services beginning September 1, 2010. Two vendors submitted a response. The Department evaluated the vendors' responses and determined that only one of the vendors, Center for Health Care Rights, met the requirements stated in the RFI. CSS determined to award the contract to Center for Health Care Rights pursuant to the California Code of Regulations (CCR), Title 22, Section 7360 (Noncompetitive Award).

The HICAP contract contains COLA language that is consistent with current County policy. The agency recommended for funding, Center for Health Care Rights, is in compliance with all Board and CEO requirements. The CEO has reviewed and concurs with the recommended actions.

Counsel and CEO have reviewed this Board Letter. Counsel approval as to form will be obtained prior to execution of the contract and any amendments with the recommended agency. CSS has notified the Board and the CEO of its intent to procure a sole source contract with Center for Health Care Rights. The required Sole Source Checklist and justification has been approved by the CEO and is included as Attachment A.

CONTRACTING PROCESS

On May 25, 2010, CSS released the RFI to identify qualified vendors capable of providing HICAP Services. CSS used its address database to mail more than 500 letters of interest to potential vendors and other interested parties in all Supervisorial Districts. This mailing list included members of the Los Angeles County Commission for Older Adults (LACCOA), current AAA-funded agencies and other service providers. The RFI was advertised in eight greater Los Angeles County newspapers including the Los Angeles Times, L.A. Watts Times, Antelope Valley Press, San Gabriel Valley Tribune, Daily Breeze, Daily News, Long Beach Press Telegram and HOY. The RFI was posted and available on the CSS, Internal Services Department (ISD) and County Office of Small Business (OSB) websites.

CSS received two Statements of Interest in response to this RFI. One of the respondents (interested vendors) did not meet the minimum qualifications nor was that respondent able to demonstrate the staffing capability to provide the services as outlined in the RFI. Center for Health Care Rights (the current and only contracted agency) provided a statement of interest that clearly demonstrated the agency's ability to provide the specialized HICAP services Countywide. It has the qualified, experienced staff that is able to perform required tasks in a cost-effective manner without an excessive learning curve.

Center for Health Care Rights, a private non-profit corporation, has been the sole provider of HICAP Services for the County of Los Angeles since 1985. The agency maintains sufficient levels of both paid staff and volunteers who function as HICAP Counselors, certified by the CDA, and include a Staff Attorney, licensed by and in good standing with the California State Bar as an active member. The HICAP Counselors and other staff provide HICAP Services by offering personalized counseling, community education and outreach events for Clients to understand how to use their Medicare benefits including Prescription Drug Plan coverage, Medicare Advantage plans, Medicare supplemental policies, Medicare Savings Programs, and long-term care insurance.

Center for Health Care Rights is being recommended for funding through a Noncompetitive Award under Title 22, Section 7360 of the CCR as a result of inadequate competition. CSS met all solicitation requirements including: wide dissemination and advertising of the RFI, reasonable specifications, allowed a significant time frame for submission, timeline for delivery and performance was realistic, and the solicitation of a number of sources. Center for Health Care Rights was the only vendor who submitted a response and met the minimum requirements for the HICAP, and demonstrated the capability to perform the required scope of work.

The HICAP contract is not a Proposition A contract in which living wage laws would be applicable. CSS is not capable of providing direct HICAP Services as required by the CDA.

CDA continued approval to enter into multi-year contracts is pending.

Monitoring

Monitoring of the HICAP will be conducted on an annual basis and will include administrative and programmatic monitoring to ensure contract compliance. Program monitoring is accomplished through the CSS Contract Compliance Division. Fiscal compliance monitoring will be conducted biannually by an approved vendor procured through the Auditor-Controller.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

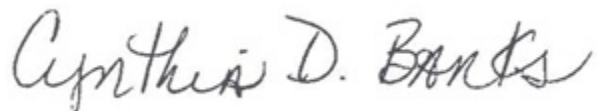
The recommended actions will assure the continuation of HICAP Services to eligible individuals residing in Los Angeles County, excluding the City of Los Angeles.

CONCLUSION

Upon Board approval, please provide one copy of the adopted Board Letter to Ms. Sonja Ivey-Rojas, CSS, 3175 West Sixth Street, Room 403, Los Angeles, CA, 90020. If you need to contact Ms. Ivey-

Rojas, she may be reached at (213) 351-8917.

Respectfully submitted,

A handwritten signature in cursive script that reads "Cynthia D. Banks". The ink is dark and the signature is fluid.

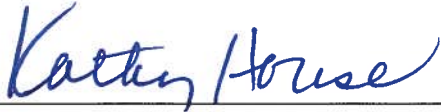
CYNTHIA D. BANKS
Director

CDB:OS:MQ:CD:SIR

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

SOLE SOURCE CHECKLIST

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
✓	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
	➤ It is most cost-effective to obtain services by exercising an option under an existing contract.
✓	➤ It is in the best interest of the County e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
	➤ Other reason. Please explain:
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">  Deputy Chief Executive Officer, CEO </div> <div style="text-align: center;"> 8/19/10 Date </div> </div>	

**COUNTY OF LOS ANGELES – COMMUNITY AND SENIOR SERVICES (CSS)
JUSTIFICATION FOR SOLE SOURCE CONTRACTS**

This documentation is provided as justification for the CSS request to the Board of Supervisors for authorization to execute a sole source contract with Center for Health Care Rights for the provision of Health Insurance Counseling and Advocacy Program (HICAP) Services. CSS anticipates contracting with Center for Health Care Rights pursuant to the requirements for a noncompetitive award under Title 22, Section 7360 of the California Code of Regulations (CCR) as a result of inadequate competition.

The applicable justification for this sole source request is as follows:

- Only one bona fide source for the service exists; performance and price competition are not available.

CSS receives Older Americans Act (OAA) and Older Californians Act (OCA) HICAP funding from the California Department of Aging (CDA) to administer the HICAP. The HICAP uses HICAP Counselors to offer personalized counseling, advocacy, community education and outreach events to Medicare Beneficiaries, their representative or persons aged 60 and older who are close to obtaining Medicare eligibility to understand how to use their Medicare benefits including Prescription Drug Plan coverage, Medicare Advantage plans, Medicare supplemental policies, Medicare Savings Programs, and long-term care insurance. The HICAP Services are available to eligible Clients who reside in Los Angeles County (excluding the city of Los Angeles). The current HICAP contract expires on September 30, 2010. In May 2010, CSS released a Request for Information (RFI) with the intent of identifying potential agencies qualified to provide the HICAP Services throughout the Los Angeles County area (excluding the City of Los Angeles). CSS advertised and posted the RFI according to the federal, State and County requirements.

CSS received two Statements of Interest in response to the RFI, however, one of the respondents (interested vendors) did not meet the minimum qualifications nor was that respondent able to demonstrate the staffing capability to provide the services as outlined in the RFI. CSS determined to award the contract to Center for Health Care Rights pursuant to Title 22, Section 7360 of the California Code of Regulations, (Noncompetitive Award).

- It is in the best interest of the County (e.g., administrative cost savings, excessive learning curve for a new service provider, etc.)

HICAP Services have been provided throughout the Los Angeles County area by one agency, Center for Health Care Rights, since 1985. This agency has a long-standing record of experience and the demonstrated staffing capacity to provide the HICAP Services. Center for Health Care Rights maintains sufficient levels of both paid staff and volunteers who function as HICAP Counselors, certified by the CDA. HICAP Counselors provide Program Services by conducting

**COUNTY OF LOS ANGELES – COMMUNITY AND SENIOR SERVICES (CSS)
JUSTIFICATION FOR SOLE SOURCE CONTRACTS**

personalized counseling, community education and outreach events for eligible Clients. Center for Health Care Rights also engages in activities which support the Medicare Improvement for Patient and Provider Act (MIPPA) by assisting with the enrollment of beneficiaries for the prescription drug benefit and expanding the outreach efforts for the Low Income Subsidy (LIS) and Medicare Savings Program (MSP). The agency has further demonstrated that it is experienced in preparing and submitting confidential HICAP client data using the Statewide HICAP Automated Reporting Program (SHARP) System, which is key to effectively administering the HICAP.

Although previously procured through the Request for Proposal (RFP) process, given the history of this Program's contract with one agency, the intent of the RFI to potentially save the County the administrative cost and time associated with an RFP solicitation appears warranted. Despite the lack of other qualified respondents to the RFI, it is in the best interest of the County to approve this sole source contract with Center for Health Care Rights, because this agency has demonstrated its capacity and experience to provide Program Services in accordance with HICAP requirements. The Program Services are crucial for Clients who face the possibility of not receiving the most appropriate Medicare prescription drug coverage for their critical medications. Center for Health Care Rights has the mechanisms in place which will enable it to continue operating the HICAP beginning October 1, 2010.